

## FISCAL NOTE

TO: Chief Clerk of the Senate  
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: April 6, 1995

SUBJECT: **SB 320 - HB 525**

This bill, if enacted, will set a limit of 12 months for preexisting condition provisions in health insurance coverage. Such exclusions may only relate to conditions manifesting themselves in a manner that could cause an ordinary prudent person to seek medical advice, diagnosis, care or treatment; or for which medical advice, diagnosis, care or treatment was recommended or received during the previous 12 months immediately before the date of coverage, or as to a pregnancy existing on the effective date of coverage. All health benefit plans shall credit the time the person was covered under a previous group health benefit plan if the previous coverage was continuous to a date not more than 30 days before the effective date of the new coverage, exclusive of any applicable waiting period under the plan. The Commissioner of Insurance is authorized to promulgate rules in accordance with TCA, Title 4, Chapter 5.

The fiscal impact from enactment of this bill is estimated to be minimal, however, if the state, as a self insured provider, elects to adopt the provisions of this bill in the state plan, it is estimated that this action would result in increased state expenditures. The amount of such increase cannot be reasonably determined, but is estimated to exceed \$100,000 as a result of section 2 of the bill. Enactment of this bill is also estimated to result in an increase in expenditures to local governments for those who do not have self insured health plans. The amount of increase cannot be reasonably determined but is estimated to exceed \$100,000.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director